

Central Intelligence Agency
Washington, D.C. 20505

Executive Registry

83-0673

1 February 1983

Executive Director

NOTE FOR: DDCI *(has copy)*
DCI

Re DCI call to DDA for info on the
FY-84 budget retirement proposals:

- Attached was pulled together for possible DCI comment at the Cabinet meeting tomorrow.
- Statistics and talking points for subsequent private comment by the DCI with the President are being developed by OP.
- It is not thought feasible to argue about the pay freeze, increased individual contributions to the retirement fund or the change from the High-3 (salary years) to High-5 for annuity computation.
- What we do feel must be addressed, given the Administration's desire to rebuild intelligence, is the prohibition without untenable penalty, against retirement before age 65 vs. current age 50 under CIARDS or 55 with 30 years.

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ROUTING AND RECORD SHEET

SUBJECT (Optional)

FROM: James N. Glerum
Director of Personnel
5 E 58 Hqs.

EXTENSION

NO.

DATE

1 FEB 1983

TO (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Executive Director

01 FEB 1983

Per our conversation, attached is a proposed item for the DCI to raise at tomorrow's Cabinet meeting.

James N. Glerum

FORM 1-79

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USE PREVIOUS EDITIONS

DCI Item for Upcoming Cabinet Meeting

The retirement proposals contained in the FY 1984 budget have created a shock-wave through the ranks of my Agency. While the full range of these changes are of deep concern, the anxiety and worry seem to concentrate most on the proposed dramatic change in the retirement age (65) and the severe reduction or penalty for retiring prior to age 65.

My senior staff has reported that these items will have a drastic short-term impact because of the large numbers of our senior officers potentially affected; also, in the longer term, it is feared that many of our younger mid-level employees in the analytical field and others in the hard-to-get categories (e.g., engineers) may decide to leave CIA now rather than face the prospect of working to age 65 or suffering a serious reduction in annuities should they retire sooner. Moreover, it is believed that these changes will make it extremely difficult for the Agency to compete in the marketplace for vitally needed hard-to-get categories. Overall, my staff believes that these proposals present the more serious of threats to our continuing--indeed, they believe it will set back--the build-up of our intelligence capability.

We have undertaken a study to assess fully the impact that these changes may have if enacted. Perhaps the present concern has been exaggerated. If, as initially reported by my senior staff, these dramatic retirement proposals will have a serious impact on our ability to fulfill our mission, I will have no choice but to refer these conclusions and alternatives to you for consideration.